

# FISCAL NOTE WORKSHEET (Revised Nov. 2006)

Agency: Utah State Office of Education  
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 Requested By

Bill Number SB 57 Sub 1

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Fax/Electronic Mail Transmittal

Date: _____
Name: _____
Fax Number: _____

Please return to Fiscal Analyst by: February 12, 2007

**TITLE OF BILL:** High School Graduation Amendments

This Bill Takes Effect: ☐ On Passage ☐ On July 1 ☒ 60 Days after session ☐ Other \_\_\_\_\_  
 Bill Carries Own Appropriation: ☐

## FISCAL IMPACT OF PROPOSED LEGISLATION

### A. Revenue Impact by Source of Funds:

First Year

Second Year

	First Year	Second Year
1. General Fund		
2. Unifrom School Fund - Free Revenue		
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

### B. Expenditure Impact by Source of Funds:

1. General Funds		
2. Unifrom School Fund - Free Revenue	\$6,268	\$6,387
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds ACT fee waivers	\$1,000,883	\$1,021,901
7. TOTAL	\$1,007,200	\$1,028,300

### C. Expenditure Impact Summary:

1. Salaries, Wages and Benefits	\$6,268	\$6,400
2. Travel		
3. Current Expenses		
4. Capital Outlay		
5. Other (Specify) ACT fee waivers	\$1,000,883	\$1,021,901
6. TOTAL	\$1,007,200	\$1,028,300

### D. Impact in Future Years?

*If no fiscal impact in first two years, indicate if there will be any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years.(Use back side, if necessary.)*

Costs will be ongoing to handle fee waiver requests and applications for diplomas that come in each year and will increase with increases in ACT registration fees and enrollment, especially several years out, as today 's early childhood echoboomers reach high school. Costs could even double in any given year if the state becomes obligated to grant fee waivers for ACT preparation courses.

**E. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase**

Lines 55-65 require the USOE to administer a diploma granting program. The bill also undermines the Board's authority to establish graduation standards; and does not account for all legislatively mandated curriculum (financial literacy, etc.), or necessarily reduce the state's obligation to pay for "graduates" who remain eligible for public ed until they reach the age limit.

**F. Expenditure Impact Details (*Ties to totals in Section C*)**

**CHANGES** -- There is no substantive difference between this substitute and the original bill, which explicitly mentioned "home school" children, so the analysis does not change. **ACT FEE WAIVER** -- The bill discriminates against students who cannot afford the ACT, so it will create an obligation for LEAs to offer fee waiver to students. Although ACT itself offers fee waivers, they are limited to juniors and seniors, can be claimed for only one administration, and are not guaranteed, so this note assumes that the equivalent of every free lunch eligible high school student will claim at least one local fee waiver for ACT registration that will become the state's obligation to fund. (See Analysis tab.) **STATE DIPLOMA ADMINISTRATION** -- According to USOE Curriculum Director Brett Moulding, ". . . the most likely scenario would be for less than 5% of one of my staff member's time for this aspect of the requirement." Otherwise, the USOE already processes answer documents and test result profiles for home schooled (and private school) students who participate in state sponsored tests under the aegis of LEAs. The marginal cost of adding any more such students who might be induced to participate in the UBSCT by the incentive of a diploma is negligible.

**G. No Fiscal Impact or Will Not Require Additional Appropriations?**

*Specify why this bill will have no fiscal impact on your agency or institution.*

*Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)*

Responsibility for processing applications for diplomas would likely be given to the USOE Curriculum Section.

**H. If Bill Carries It's Own Appropriation:**

*Indicate if the amount appropriated is adequate to meet the purposes of the bill.*

*Are there future additional costs anticipated beyond the appropriation in the bill?*

Not applicable.

**I. Impact on Local Governments, Businesses, Associations, and Individuals**

*Specify requirements in the bill that drive the impact on local governments.*

*Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact?*

Local School Districts/Charter Schools : The obligation to provide a fee waiver for the ACT will increase the cost of fee waivers to LEAs by about 25%. The marginal cost of registering and proctoring additional home students who might be induced to participate in the UBSCT by the incentive of a diploma is negligible.

Businesses and Associations : Possible additional sales revenue for ACT.

Individuals : Families bear the cost of ACT testing, the basic registration fee for which is currently \$29. This fee will now be waived for approximately 20% of high school students.

Narrative Description of Bill : This bill allows a student who resides in Utah to receive a high school diploma if the student passes the basic skills competency test and receives certain scores on the ACT.